



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
GLORIA MOLINA
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MARK RIDLEY-THOMAS
Second District

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Third District

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MICHAEL D. ANTONOVICH
Fifth District

June 10, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
ARCADIA MENTAL HEALTH CENTER REPLACEMENT PROJECT
APPROVE PROJECT BUDGET AND APPROPRIATION ADJUSTMENT
AWARD DESIGN-BUILD CONTRACT
AUTHORIZE LOCAL WORKER HIRING PROGRAM
APPROVE RELATED ACTIONS
SPECS. 7205; CAPITAL PROJECT NO. 77179
(FIFTH DISTRICT)
(4 VOTES)**

SUBJECT

Approval of the recommended actions will approve the Project schedule and total Project budget for the Arcadia Mental Health Center Replacement Project, award a design-build contract, approve an appropriation adjustment, and other related actions.

IT IS RECOMMENDED THAT THE BOARD:

1. Find the proposed Arcadia Mental Health Center Replacement Project is exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the Project.
2. Approve the Project schedule and total Project budget in the amount of \$13,500,000 for the Arcadia Mental Health Center Replacement Project, Capital Project No. 77179.
3. Approve an appropriation adjustment to transfer \$1,500,000 from the Committed for Budget Uncertainties in the Department of Mental Health Services Act-Proposition 63 Fund (BT1 Fund), to

the Arcadia Mental Health Center Replacement Project, Capital Project No. 77179, to fully fund the Project.

4. Find that J.R. Abbott Construction is the apparent Lowest Responsive and Responsible Bidder that submitted the most advantageous and best value proposal for the Arcadia Mental Health Center Replacement Project, and award and authorize the Director of Public Works, or her designee, to execute a design-build contract with J.R. Abbott Construction for a maximum contract sum of \$8,256,176, contingent upon submission of acceptable performance and payment bonds, and evidence of required insurance filed by J.R. Abbott Construction.

5. Delegate authority to the Director of Public Works, or her designee, to execute consultant services agreements for a stipend in an amount not-to-exceed \$50,000 each with the second and third highest ranked qualifying design-build proposers, neither of which was selected as the design-builder for the Project, enabling the County to use all design and construction ideas and concepts included within their proposals.

6. Authorize the implementation of a Local Worker Hiring Program for the Arcadia Mental Health Center Replacement Project, and find that the program furthers a legitimate governmental interest.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find the proposed Arcadia Mental Health Center Replacement Project (Project) exempt from the California Environmental Quality Act (CEQA); approve the Project and the Project budget; approve an appropriation adjustment; award a design-build contract; approve the implementation of a Local Worker Hiring Program (LWHP); and approve related actions for the Project.

Project Description and Background

On May 1, 2012, the Board approved the establishment of the Project using design-build construction as the Project delivery method. The Project scope consists of construction of a new mental health center on the same site of the existing mental health facility, located at 330 Live Oak Avenue in the City of Arcadia, demolition of the existing building upon completion of the new facility, and construction of a surface parking lot. The new facility will be approximately 12,000 square feet, include a waiting area, reception, financial screening, business offices, a training/conference room, staff lounge and patio, seven therapy rooms, one group therapy room, private sound proof offices for all clinicians and psychiatrists, and an outdoor courtyard. The new facility will house the Full Services Partnership Program, Adult and Older Adult Field Capable Clinical Services Programs, Early Recovery Wellness Program, staff psychiatrists, and support staff, and allow the Department of Mental Health (Mental Health) to provide all these program functions that are currently being performed in multiple locations in a single location.

During the construction of the new facility, the existing facility will remain operational, and parking spaces will be leased from the adjacent property, located at 314 East Live Oak Avenue in the City of Arcadia, to accommodate parking requirements for staff and patients. The new facility will be constructed on the existing parking lot. Upon completion of the new facility, the existing Arcadia Mental Health building will be demolished and a new surface parking lot will be constructed in its place to provide a total of 52 parking spaces, including 44 regular parking spaces, three Handicap spaces, and five emergency vehicle parking spaces.

Design-Build Contract Award

On June 17, 2008, the Board approved the use of design-build contracting as an option for delivering County capital projects in excess of \$2,500,000. Design-build was selected as the most appropriate project delivery method to meet the Project goals and objectives for the Project.

To initiate the design-build process, the Project scoping documents were prepared by RTK Architects, Inc., one of the Department of Public Works' (Public Works) as-needed architectural/engineering consulting firms. The Project scoping documents provided criteria for the design-build entity to design and construct the Project.

On May 8, 2013, a prequalification questionnaire was issued to prequalify and short-list prospective design-build firms for the Project. On June 13, 2013, completed prequalification questionnaires were received from 16 design-build firms for the Project. An Evaluation Committee comprised of representatives from the Chief Executive Office (CEO), Mental Health, and Public Works reviewed and evaluated the prequalification questionnaires, and the following three design-build firms were determined to be the highest-ranked: J.R. Abbott Construction, Perera Construction and Design, Inc., and Whiting-Turner Contracting Company.

On March 20, 2014, final technical and cost proposals were received from the three short-listed design-build firms. The committee evaluated and scored each proposal based on the eight criteria categories outlined in the Request for Proposals (RFP) as follows: technical design and construction expertise, life-cycle cost analysis, skilled labor force availability, safety record, price, design-build team personnel and organization, work plan and schedule, and value engineering. J.R. Abbott Construction was determined to be the most advantageous and best value proposer in accordance with provisions of the RFP. A summary reflecting the Committee's scoring of the proposals is provided in Attachment B.

We recommend that the Board authorize the Director of Public Works, or her designee, to execute a design-build contract in a not-to-exceed amount of \$8,256,176.

Local Worker Hiring Program

It is recommended that a LWHP with aspirational goals be implemented for construction for the Project. The proposed program includes the following key elements:

- The design-builder and its subcontractors are required to make a good-faith effort to employ qualified local workers to perform at least 30 percent of the total California craft worker hours.
- "Local residency" is defined with a two-tier system: first preference will be given to qualified workers residing within the County of Los Angeles zip codes within a 5-mile radius of the project; and second preference given to qualified workers residing within the County in any zip code having an unemployment rate in excess of 150 percent of unemployment rate for the County as a whole. Thus, the contractor must first make a good-faith effort to satisfy the requirement from the local area of "first preference," and failing that, the contractor must make a good-faith effort to draw from areas of "second preference."
- The definition of construction labor hours excludes any work performed by workers residing in states other than California.
- The LWHP for the Project does not include a "Disadvantaged Local Worker" component.

- The LWHP will encourage the design-builder to make a good faith effort to employ veterans of United States military consistent with the Board action of May 13, 2014.

Green Building/Sustainable Design Program

The Project will be designed and constructed to achieve the United States Green Building Council Leadership and Energy and Environmental Design Silver level certification by incorporating sustainable design features to optimize energy and water use efficiency, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Integrated Services Delivery (Goal 3), by allowing Mental Health to provide all of its program functions to the community in a single location that will increase accessibility of services and allow for efficient, safe, and continuous care.

FISCAL IMPACT/FINANCING

On May 1, 2012, we noted that we would return to the Board for approval of the final Project cost along with the recommendation to award the selected design-build contract.

The total Project, including plans and specifications, plan check, construction, consultant services, civic art fees, miscellaneous expenditures, and County services, is estimated at \$13,500,000. The Project is fully funded with State Mental Health Services Act-Proposition 63 Funds. The Project Schedule and Budget Summary are included in Attachment A.

Approval of the attached appropriation adjustment (Attachment C) will authorize the transfer of \$1,500,000 from Committed for Budget Uncertainties in the Mental Health Services Act-Prop 63 funds, BT1 Fund, to the Project, Capital Project No. 77179, to fully fund the Project.

Operating Budget Impact

Following completion of the Project, Mental Health anticipates one-time start-up costs, comprised of moving expenses, and furniture and other equipment purchases. Mental Health's Fiscal Year 2014-15 Recommended Budget includes sufficient appropriation for the one-time start-up costs.

While the new Arcadia Mental Health Center will likely reduce certain operating costs such as energy and utilities, Mental Health anticipates ongoing operating costs will likely be impacted by usual changes in health care inflation such as pharmaceutical and supply cost increases. It is important to note that the increased operating costs would occur regardless of the Project and would likely be higher in the absence of the Project because of major problems with the physical condition of the existing building. Ongoing costs are accounted for in Mental Health's budget and are financed through State and Federal revenues.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy, adopted on December 7, 2004, and revised on December 15, 2009, the Project includes 1 percent of the design and construction costs to be

allocated to the Civic Arts Fund.

ENVIRONMENTAL DOCUMENTATION

The Project is categorically exempt from the CEQA. The Project consists of replacement of an existing mental health facility and construction of a surface parking lot at the same site, which will have substantially the same purpose and capacity as the replaced structures. The Project is, therefore, within a certain class of projects that has been determined not to have a significant effect on the environment in that it meets criteria set forth in Section 15302(b) of the CEQA Guidelines, and Class 2(a) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. There are no cumulative impacts, unusual circumstances, proposed substantial adverse changes to the significance of a historic structure or other limiting factors that would make the exemption inapplicable based on the Project records.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the CEQA Guidelines.

CONTRACTING PROCESS

The RFP and evaluation process were conducted in accordance with the adopted policy for design-build delivery. Each proposal was evaluated and J.R. Abbott Construction was determined to be the apparent most advantageous and best value proposer.

The existing facility will remain operational during the construction of the new facility on the existing surface parking lot. The CEO is in negotiation to lease parking spaces from the adjacent property, located at 314 East Live Oak Avenue in the City of Arcadia, to accommodate parking requirements for staff and patients.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Arcadia Mental Health Center will remain fully operational during construction. Public Works will coordinate construction activities with Mental Health to minimize inconvenience to staff and patients to the fullest extent possible.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Facilities and Asset Management Division; Mental Health; and Public Works, Project Management Division I.

The Honorable Board of Supervisors

6/10/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a long horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:SHK:DJT

SW:CV:zu

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Arts Commission
Auditor-Controller
Mental Health
Public Works

June 10, 2014

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
ARCADIA MENTAL HEALTH CENTER REPLACEMENT PROJECT
APPROVE PROJECT BUDGET AND APPROPRIATION ADJUSTMENT
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AUTHORIZE A LOCAL WORKER HIRING PROGRAM
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I. PROJECT SCHEDULE SUMMARY

Project Activity	Original Completion Date	Scheduled Completion Date
Project Scoping Documents		05/12*
Award Design-Build Contract	08/30/12	06/14
Construction Documents	12/31/12	By Design-Builder
Jurisdictional Approvals	03/28/13	By Design-Builder
Construction Start		07/30/14
Substantial Completion	06/28/14	07/30/15
Final Acceptance	07/28/14	08/30/15

* Completed activity.

II. PROJECT BUDGET SUMMARY

Project Activity	Board-Approved Budget
Land Acquisition	\$ 0
Construction	
Design-Build Contract	\$ 8,256,176
Design Contingency	325,000
Contingency	1,168,824
Youth Employment	0
Construction Consultants	0
Misc. Expense (Gordian Group Fees)	0
Telecomm Equip. Affixed to Building	500,000
Stipends	100,000
Labor Compliance Monitoring	60,000
Civic Arts	89,000
Subtotal	\$ 10,499,000
Equipment	\$ 0
Programming/Development	\$ 0
Plans and Specifications	\$ 404,290
Consultant Services	
Site Planning	\$ 0
Hazardous Materials	50,000
Geotech/Soils Report and Soils Testing	325,000
Material Testing	225,000
Cost Estimating	6,000
Topographic Surveys	49,165
Construction Management	0
Construction Administration	0
Environmental	90,000
Labor Compliance	0
Legal	0
Other: Consultants	0
Subtotal	\$ 745,165
Miscellaneous Expenditures	\$ 30,000
Jurisdictional Review/Plan Check/Permit	\$ 530,000
County Services	
Code Compliance Quality Control Inspection	\$ 303,640
Design Review	1,456
Design Services	39,840
Contract Administration	130,853
Project Management	704,439
Project Management Support Services	0
ISD Job Order Contract Management	0
DPW Job Order Contract Management	0
ISD ITS Communications	0
Project Security	0
Project Technical Support	111,317
ISD Countywide Contract Compliance Section	0
County Counsel	0
Other: Contract Recovery	0
Subtotal	\$ 1,291,545
TOTAL	\$13,500,000

June 10, 2014

ATTACHMENT B

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BID SUMMARY

Proposer	Best Value Score (Max. Score = 1,000)	Base Price Proposal
J.R. Abbot Construction	913	\$8,256,176
Perera Construction and Design, Inc.	883	\$7,688,803
Whiting-Turner Contracting Company	785	\$9,513,347

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

DEPT'S.
NO. 060

May 15, 2014

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2013-14

4 - VOTES

SOURCESUSES

BA DETAIL, SEE ATTACHED PAGE 1

BA DETAIL, SEE ATTACHED PAGE 1

SOURCES TOTAL: \$ 3,000,000

USES TOTAL: \$ 3,000,000

JUSTIFICATION

This appropriation adjustment is necessary to transfer \$1,500,000 of Mental Health Services Act-Proposition 63 fund from Committed for Budget Uncertainties to the Arcadia Mental Health Center Replacement Project to fully fund the Project. There is no impact on net County cost.


AUTHORIZED SIGNATURE Sabra White, Manager, CEO


BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

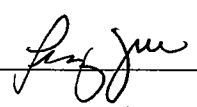
BY

B.A. NO. 209


May 19 20 14☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY


May 20, 20 14

June 10, 2014

ATTACHMENT C

**DEPARTMENT OF PUBLIC WORKS:
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APPROPRIATION ADJUSTMENT

FY 2013-14
4 - VOTES

SOURCES:

Mental Health Services Act-Prop 63
BT1-3047
Committed for Budget Uncertainties \$1,500,000
Decrease Obligated Fund Balance

Department of Mental Health
Arcadia Mental Health Center Replacement Project
A01-CP-96-9919-65039-77179
Operating Transfer In/CP \$1,500,000
Increase Revenue

TOTAL SOURCES: \$3,000,000


USES:

Mental Health Services Act-Prop 63
BT1-MH-6100-41189
Other Financing Uses \$1,500,000
Increase Appropriation

Department of Mental Health
Arcadia Mental Health Center Replacement Project
A01-CP-6014-65039-77179
Capital Assets-Building & Improvement \$1,500,000
Increase Appropriation

TOTAL USES: \$3,000,000

This appropriation adjustment is necessary to transfer \$1,500,000 of Mental Health Services Act-Proposition 63 fund from Committed for Budget Uncertainties to the Arcadia Mental Health Center Replacement Project to fully fund the Project. There is no impact on net County cost.

 May 19, 2014
BA # 209